

DIVISION OF COMMUNITY SERVICES

DCS BULLETIN

December, 2001

State Saving Big Bucks from Utility Bills

State facilities will start realizing lower utility bills as recent energy conservation measures start to kick in, according to State Energy Engineer Darin Scherr.

The state has legislation in place that provides two avenues for facilities to upgrade to modern energy efficient equipment. Some projects are funded through energy performance contracting, in which a professional energy services company (ESCO) provides a detailed energy audit with potential energy conservation measures (ECMs). Once the ECMs are agreed to by the state facility, third party financing is arranged. The debt is then retired by the savings generated by the ECMs. The ESCO also provides a guarantee that the savings will cover the debt service.

Currently four campuses are involved in some phase of performance contracting: ND School of Science (Wahpeton), Mayville State University, Valley City State University and Bismarck State College. The total project size for the

current projects is approximately \$6.2 million, which results in over \$660,000 of annual savings for the state.

In addition the State Facility Energy Improvement Program (SFEIP) is now underway. The program was authorized by the 56th Legislative Assembly.

In the SFEIP, DCS works with state facilities to identify potential projects. The facility then contracts with engineering firms to provide a detailed energy audit. The au-

audits are then reviewed by DCS and submitted to the Governor's office for inclusion in the next biennial budget. The executive budget then reduces the current level of utility appropriations by the amount needed for debt service retirement and recommend an appropriation to the state building authority in that amount.

The first cycle of SFEIP, which was approved by the 57th Legislative Assembly, yielded projects totaling just under \$5 million dollars with savings of over \$750,000 per year.

SFEIP consisted of projects at the University of North Dakota, North Dakota State University, Facility Management, Department of Transportation, and the State Penitentiary.

Scherr says that both funding mechanisms create an opportunity for the state to reduce energy consumption and improve facilities without incurring up front expenses. It also provides a better environment for occupants and reduces both air and water pollution.

Numerous other facilities have been involved in preliminary informational meetings discussing energy



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North Dakota HOME Program Delivers

The North Dakota HOME Program has been exceptionally effective in its efforts to expand the supply of decent, affordable housing for low and very-low income families.

Nationally, the HOME program was established in 1990 as Title II of the Cranston Gonzalez National Affordable Housing Act. It provides housing-related grants and loans affecting income-eligible families to States and certain local governments.

Nationwide, approximately \$14 billion was allocated for the HOME program during the 1992-2000 funding period. North Dakota has received \$31 million. In that period of time, North Dakota was able to commit 100% of the HOME funds available to it.

Additionally, the North Dakota program is the most effective program in the nation in terms of the disbursements of the funds, with 92%

distributed during this time period. This means the North Dakota program is doing an exceptional job of getting the HOME funds out onto the street.

DCS HOME staff acknowledges that the program success is due to the diligent and thorough work of the HOME subrecipients.

Nationwide, the HOME dollars leverage an average of \$3.92 of other funds for any HOME dollar used on a project. The national average cost is \$15,539 per unit. The North Dakota program has an average per unit cost of \$8,864.

In the process, the North Dakota HOME program has assisted in the construction or rehabilitation of 612 rental units since the inception of the program, and has assisted almost 4,500 families with Security Deposit assistance.



Additionally, almost 420 homeowners have been assisted with rehabilitation, and 1500 homeowners received down payment and closeout assistance.

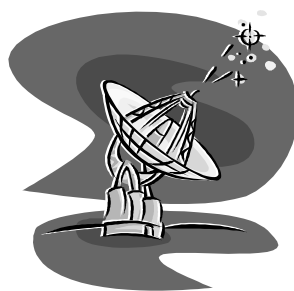
The North Dakota HOME program recognizes that a major barrier to affordable housing for lower income citizens is cash which is required up front for various deposits and down payments. Working to address this need, the North Dakota program ensures that a wider population segment is able to get into safe, affordable housing with the Security Deposit program.

This means that approximately 2 families are assisted with HOME funds every day. The HOME program only assists families with incomes at or below 80% of the median family income by county; however, almost two-thirds of the families assisted by the North Dakota HOME program fall below the 30% median family income level.

DCS Sponsored ASHRAE Satellite Broadcast

DCS sponsored an ASHRAE (American Society of Heating, Refrigerating, and Air Conditioning Engineers) satellite broadcast on the 1999 revision of ASHRAE Standard 90.1. Standard 90.1 provides a set of guidelines for the energy-efficient design of buildings, and building systems.

The ASHRAE conference was co-sponsored by The Trane Company (a manufacturer of building heating, ventilating and air conditioning (HVAC) equipment), and was directed at architects, engineers, and building owners.



The seminars focused on three design areas: building envelope, mechanical systems, and lighting.

Three download sites were sponsored in North Dakota. Two were simultaneously broadcast on October 30th, in Fargo and Grand Forks, with the ability to fax questions in to the panel. On November 13th, a taped presentation of the broadcast was presented in Bismarck.

Attendance exceeded expectations at all sites.

Administrative Rules Public Hearing

The Division of Community Services is developing new administrative rules for implementing and updating the North Dakota State Building Code.

A public hearing is scheduled on January 8, 2002, in the Brynhild Haugland Room in the State Capitol Building at 1:15 p.m. Written comments may be submitted between January 9, 2002 and February 8, 2002.

A copy of the DRAFT Administrative Rules can be obtained by contacting Richard Gray at 328-3698 or at rgray@state.nd.us.

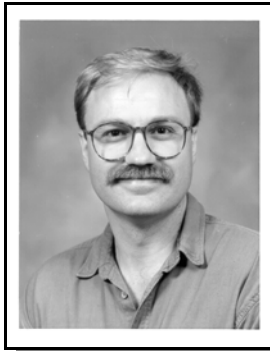
Spletto Appointed to MAP Board of Directors

Michael Spletto has recently been appointed to the Board of Directors of the Midwest Assistance Program, Inc. (MAP).

MAP was formed to help rural communities improve their environment, quality of life, and a greater degree of self-sustenance. It provides technical assistance and training related to water, wastewater, solid waste and community development.

The Board of Directors consists of two members from each of MAP's participating states (Iowa, Kansas, Minnesota, Missouri, Montana, Nebraska, North Dakota, South Dakota and Wyoming). Spletto said that he is very honored to be part of this organization. "MAP has been around for 22 years and I've seen many benefits in North Dakota."

"I'm looking forward to the opportunity to increase MAP's involvement in housing and planning issues in North Dakota," Spletto said.



Michael Spletto
HOME Program Manager

MAP initially worked with local community action agencies to sharpen their abilities to serve as technical resources related to water or wastewater problems. Soon MAP's activities shifted to transferring knowledge directly to local governments, helping them assess needs and available resources, complete funding applications, and ultimately, install water and sewer services. MAP's scope of work expanded to include solid waste management in 1987 and housing initiatives in 1995.

Small, rural communities and other entities (mobile home parks, water and sewer districts, and unincorporated areas) are beneficiaries of MAP's technical assistance and training.

During fiscal year 1999, MAP served more than 400 communities. According to MAP's Annual Report

2000, the average annual household income of communities MAP served was about \$18,000, with the median population of communities served at 436.

"It's important that there are technical advisors such as MAP to help out the rural areas," Spletto said. "Many of our smaller communities do not have the staff or financial backing to write applications to address some of their most important community development needs."

"I look forward to helping to guide MAP's role in North Dakota and to help deliver their mission through out their area."

MAP's operating budget in 2000 was over \$2.3 million, drawing on federal, state and private foundation funding sources. It also delivered over \$15 million in leveraged dollars to communities for their water and wastewater projects.

Spletto's term is for three years and he can serve up to two consecutive terms.

Renaissance Zones Catching On

Since the birth of the Renaissance Zone Act in 1999, eight cities now have a zone and several more are well on their way to becoming a reality.

The City of Fargo received the first zone designation on December 28, 1999. Zones now exist in the Cities of West Fargo, Grand Forks, Casselton, Valley City, Jamestown, Bismarck, and Minot. These zones have produced a total, to date, of 30 zone projects in which taxpayers are starting new businesses, rehabilitating buildings and houses, and

attracting new business tenants, retaining businesses as tenants, and renovating historical buildings. These taxpayers are taking advantage of the various tax exemptions and credits available under the Act, benefiting both themselves, and more importantly, their community. They are using the Act to do both community and economic development, and it is working.

We encourage any city that is interested in looking at what a Renaissance Zone is all about and what it can do for their city to contact the



DCS for information. You do not have to be a large city to take advantage of the program. We would be more than happy to schedule a meeting with local leaders and other interested citizens.

Information about the program and tax incentives may be accessed at www.state.nd.us/dcs, or by contacting Richard Gray at 701-328-3698.

State Building Code to be Updated

Since the North Dakota State Building Code was created in 1979, it has consisted of the Uniform Building Code and Uniform Mechanical Code published by the International Conference of Building Officials. Times have changed and so have the building codes used throughout the United States.

The Uniform Codes are no longer being published, and the three model building code groups in the country have now joined together under the banner of the International Code Council, which publishes the new International Codes. To assure that our State Building Code reflects the latest advances in technology, the 57th Legislative Assembly passed HB 1423 which changes the contents of the State Building Code to the International Building Code (IBC), International Residential Code (IRC), International Mechanical Code (IMC), and the International Fuel Gas Code (IFGC).

The process for actually updating the State Building Code to the new International Codes will first begin by giving everyone the opportunity to propose amendments to the codes, so that their provisions better reflect the needs in North Dakota's

built environment. The Code Change form for submitting proposed amendments is available on the DCS web page or by calling the office. Proposed code amendments must be submitted by the close of business on March 29, 2002.

Once all of the proposed code amendments are received, they will be reviewed by the State Building Code Advisory Committee and they may propose additional amendments. Following this review, all of the proposed amendments will be made available to the public, and a public meeting will be held on or about June 17, 2002, to allow for public comments on each proposed amendment. The Committee will then develop a recommendation on each proposed amendment. Those recommendations will then be mailed to all cities, counties, and organizations the DCS determines are eligible to vote on the amendments to be incorporated into the International Codes. The voting meeting is scheduled to occur on or about July 17, 2002. We hope to make the effective date of the update State Building Code no later than September 1, 2002.

To be eligible to vote on the adoption of the International Codes and

the proposed amendments, a city or county must have an ordinance indicating the adoption of the State Building Code. For Home Rule cities, their ordinance must at least indicate the adoption of the same codes used in the State Building Code. At this time, those codes would be the 1997 Uniform Building Code and 1997 Uniform Mechanical Code published by the International Conference of Building Officials. Prior to the voting meeting in July 2002, the DCS will mail a survey to all cities and counties to identify those eligible to vote.

We encourage each city and county to consider the value and importance of adopting and enforcing building codes to protect the health, safety, and welfare of their citizens in the buildings in which they live, work, and play. We also encourage each city and county that has elected to adopt and enforce the State Building Code, which is the code that must be adopted and enforced if a city or county enforces codes, to become actively involved in the state process for adopting and updating the State Building Code.

For more information, contact Richard Gray at (701) 328-3698 or rgray@state.nd.us.

DCS New Digs will be Energy Efficient

When Department of Commerce moves into new office space in the Worker's Compensation Bureau building currently under construction in north Bismarck, they will be housed in a super-energy efficient environment thanks to preliminary work by the Division of Community Services' (DCS) energy engineer, Darin Scherr.

The building (unnamed at the time this was written) will be heated and

cooled by a geothermal heat pump system, and will have efficient lighting.

Scherr hopes, following construction, the new building will achieve an Energy Star Building designation. The Energy Star label is a joint EPA and DOE program, used to denote projects with outstanding energy effi-

ciency and with resulting environmental benefits.



Departments Consolidate

The customers of the Division of Community Services – the local governments and other entities – who have been dealing with DCS are probably wondering how the Division's recent consolidation into the new Department of Commerce will affect them.

"The consolidation won't have any immediate impact on the public," said Division director Paul Govig. "All the existing program staff will have the same program responsibilities," he said.

"No one will have to track down a new person with a question. All the same people are here, and they've even got the same phone numbers," Govig said.

One number that is different is the main receptionist's number. The old 328-2094 number isn't operating. The new number is 328-5300.

Also different is that much of the DCS support and administrative staff now have much broader duties within the Department of Commerce, Govig commented. In particular, he wanted to point out that Larry Martin, who had headed the DCS financial arm, will now be the financial manager for the entire department.

"This demonstrates the administrative success our division has achieved that our staff provides the core administration of the broader department," Govig said.

"I think it speaks to the myriad of administrative details that our division has had to deal with in administering federal grant programs so successfully that the DCS financial staff would form the core of the new Department's financial management team," Govig said.

Also making the administrative move has been the Grants and Contracts Officer, Lori Nitsch; Account/Budget Specialist, Krislyn Thompson; and Account Technician, Fran Hulm.

In addition, the DCS secretarial staff (Sue Kobilansky, Denise Faber, and Peggy Anderson) now provide support for the whole unified Department of Commerce.

"This demonstrates the administrative success our division has achieved that our staff provides the core administration of the broader department," Govig said.

"I want the agencies that are our clients to remain confident that our programs will remain accessible and service-oriented. Only the address has changed."

Third-Party Inspection Program being Developed

Recognizing that there is a growing industry that produces houses and commercial buildings in factories called "modular" buildings, the 57th Legislative Assembly passed HB 1210 entitled, "Modular residential and commercial structures - Third-party inspections." This bill will lead to North Dakota becoming the 37th state to have a program that will enable manufacturers to site these buildings in the state, without subjecting them to local building inspections, except for installation related items such as foundations and electrical connections.

Referred to as a "third-party inspection program," HB 1210 directs the Division of Community Services to

develop rules for certifying third-party inspection entities and for developing the procedures to be followed in conducting inspections. The beauty of this program, which is an economic benefit to each manufacturer and jurisdiction, is that it will insure, without added expense to the manufacturer and jurisdiction, that factory built buildings sited in North Dakota will be built in conformance with the State Building, Plumbing, and Electrical Codes. This program, however, does not deal with manufactured (mobile) homes built in a factory. Those homes are built to a Federal code.

To develop this program, the DCS has enlisted the assistance of the

State Electrical Board, State Plumbing Board, North Dakota Health Department, State Fire Marshal's Office, Department of Public Instruction, and the North Dakota Building Officials Association. Using programs from nine other states, a draft program involving state administration is now being reviewed. However, consideration is also being given to an outsourced program called the Industrialized Building Commission. Tentatively, we hope to make a decision by April 2002 on which program to recommend and then to begin formalizing the administrative rules.

For more information, contact Richard Gray at (701) 328-3698 or at rgray@state.nd.us.

Geothermal Feasibility Grants

Grants are currently available to enable cities, counties, and local school districts to determine if the use of geothermal heat pumps would be a viable heating option for their facilities. Geothermal heating systems may be a heating option which would allow government facilities to reduce their heating costs. Eight \$2,500 grants are available to local governments to fund studies to determine whether geothermal heat pumps are feasible for their buildings.

The geothermal feasibility grants are offered to help reduce public building energy consumption and



associated heating costs, but grant administrators say the studies could also help North Dakota cities, counties, and school districts to better understand their building heating and cooling system requirements.

The grants will come from the State Energy Program at the North Dakota Department of Commerce, Division of Community Services.

The funding is available for buildings that are either planned for construction, or currently in use.

Program staff point out that energy, economic and environmental advantages associated with geothermal heat pumps in both new con-

struction and existing buildings are significant. Geothermal heat pumps, a renewable energy technology, are economical to operate, have the capacity to cool buildings, heat water, and require relatively little maintenance.

City, county, and school board officials interested in applying for a geothermal heat pump feasibility grant should contact Joe Murphy, North Dakota Department of Commerce, Division of Community Services, State Energy Program, 400 East Broadway Avenue, Suite 50, PO Box 2057, Bismarck, ND 58502-2057, telephone (701) 328-2697, fax (701) 328-5395, or email jmurphy@state.nd.us.

Application deadline is January 15, 2002.



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